



## **S. 2499 - Medicare, Medicaid, and SCHIP Extension Act of 2007**

### **FLOOR SITUATION**

The Medicare, Medicaid, and SCHIP Extension Act of 2007 (S. 2499) is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage.

The Senate passed S. 2499 by unanimous consent on December 18, 2007.

The House is expected to consider S. 2499 on December 19, 2007.

### **SUMMARY**

#### **Medicare Provisions**

The bill provides a 0.5 percent update to the Medicare physician reimbursement rate through June 30, 2008. In addition, it extends the physician quality reporting system.

*\*Note: Beginning January 1, 2008, Medicare payment rates to physicians would otherwise have decreased by 10 percent. This negative update is a result of the formula used to calculate the Sustainable Growth Rate (SGR). SGR is intended to keep spending on physician services consistent with a target based on growth in the national economy. If actual spending is greater than the target, as it has since 2002, physicians receive a negative update.*

This legislation removes \$1.5 billion from the Medicare Advantage stabilization fund for regional preferred provider organizations in 2012.

*\*Note: The stabilization fund was established by the Medicare Modernization Act (MMA) in 2004. Previous Congress' have taken money from this fund, and this bill takes the remaining amount.*

The bill extends the Medicare therapy cap exceptions process for an additional six months.

This legislation makes the 60 percent compliance threshold permanent for inpatient rehabilitation facilities (IRF). In addition, it also sets the market basket update factor for IRFs at zero for six quarters.

*\*In order to receive Medicare reimbursement, 60 percent of the individuals that an IRF treats must fall into specific diagnostic categories.*

The bill extends a number of rural Medicare adjustments established under MMA.

Medicaid and SCHIP

This legislation extends SCHIP funding through March 31, 2009.

The bill extends the abstinence-only education program and Transitional Medical Assistance program through June 30, 2008.

The bill extends the qualifying individual program through June 30, 2007.

*\*Note: The qualifying individual program provides low-income seniors and individuals help through Medicaid to meet their Medicare premiums.*

Other Provisions

The bill extends the Special Diabetes Program through September 30, 2009.

**COST**

Congressional Budget Office estimate is not available at this time.

**STAFF CONTACT**

For questions or further information contact Brianne Miller at (202) 226-2302.